

## Employer Supported Work Visa Changes Announced

Today the Minister of Immigration (**Minister**) has released further details on the long-anticipated changes to the employer-led temporary work visa system. These changes are substantial and will take time to work through.

The below table provides an initial high-level overview of the changes in order of priority, and below are some initial thoughts/guidance on the changes that will take place on 07 October.

More detailed articles will follow covering the changes that are coming in from mid 2020 to 2021.

Visa Category	Change	When	Advice/Thoughts
Talent (Accredited Employer) Work Visa	Increase in base salary from <b>\$55,000 to \$79,560 (150% of median income – NZD\$38.25 per hour)</b>	07 October 2019	Existing Accredited Employers and their employees have until 06 October to file work to residence temporary visa applications at current salary level
Accredited Employer Policy	Limiting period of accreditation to 24 months	07 October 2019	No more 5 year accreditations, limiting to phase in new compulsory accreditation in 2021
Sector Agreements Negotiation	Residential care and meat processing: begin negotiating October 2019.  Dairy, forestry, road freight transport, tourism and hospitality: begin negotiating by the end of 2020.	First two agreements in place mid-2020, four remaining to follow	First two are possible, but it may take longer than that, and definitely longer for the last four
Essential Skills Work Visa	ANZSCO no longer used to assess skill level. Will be assessed as “low” or “high” paid based on whether pay rate is below or above median wage (\$25 per hour)	Mid-2020	Rate of pay together with “Labour Market Region” will determine length of visa issued. Low paid typically one year only, but if offered low paid work in a region or small town up to three year visa issued

Essential Skills Work Visa	Low paid applicants can support family for visas as long as they meet minimum income threshold.  The maximum of three 12-month visas will remain, with a 12 month offshore stand down after three years.	Mid 2020	Resolves the separation issue, but just adds a huge level of disruption to those partners and dependent children who all have to pack up and leave at the end of year three if the main applicant is not earning over \$25 per hour
Essential Skills Work Visa, Approval in Principle, Talent (Accredited Employer) Work Visa, Long Term Skill Shortage List Work Visa	Scrapped and replaced with single "Temporary Work Visa" with much tougher Labour Market Tests, especially for low paid roles (under \$25 per hour)	2021	New system of assessment based on Sector Agreements, Labour Market Regions (city, higher supply region, lower supply region), rate of pay, and city skill shortage lists
Compulsory Employer Accreditation	Required for all employers wishing to employ migrants under the new Temporary Work Visa.	2021	A more realistic accreditation deadline here, was never going to be possible to be implemented by January 2020 as initially advised

### **Talent (Accredited Employer) Policy**

From 7 October 2019 the following will apply to the Talent (Work to Residence) Accreditation Policy:

- An annual minimum salary of \$79,560.00 per annum [\$38.25 per hour] required;
- Removing the ability of applicants who earn more than \$90,000 p.a. to obtain a Permanent Resident Visa directly following the grant of residency after working on this temporary visa for two years (they will need to continue living in New Zealand for a further period of two years to secure this Permanent Resident Visa like other Talent visa and Skilled Migrant Category applicants); and
- Limiting the amount of time employers can be accredited to 24 months only (to fall in line with new compulsory accreditation for 2021)

The main change here of course is the increase in the minimum base salary from \$55,000.00 per annum to NZD\$79,560.00 from 7 October 2019. This change applies irrespective of whether or not an employer held accreditation status before this date, and essentially means, that only individuals who are able to submit their Talent work visas on or before 6 October 2019 will be able to be considered under the existing policy (allowing base salary of NZD\$55,000.00 per annum); after that will need to meet the new income level.

This is a substantial increase and will have a significant affect on most accredited employers we deal with. **If you are an Accredited Employer and have migrant workers paid at or above \$55,000 but below \$79,560 per annum who are not currently on a Talent (Accredited Employer) Work Visa, they have until 06 October to submit one. After that, there will be no guarantee they will be able to secure residency, and a new work visa (especially from 2021).**

Interestingly, for current employers who have an application for accreditation status with INZ, INZ have recognised that some of those employers may no longer wish to proceed to secure accreditation due to the significant increase. Therefore, INZ are allowing such employers the opportunity to withdraw their applications and apply for a refund of the application processing fee.

For the avoidance of doubt, employees who are currently on Talent visas at a minimum base salary of \$55,000.00 per annum or more will be able to continue through their work visa period and will be able to apply for and obtain residency after two years of continual employment with an accredited employer, without an increase in salary being required.

### **Sector Agreement Negotiations to Commence**

These negotiations will start in October with the first two\*, and interestingly they have been ordered in order of ease of negotiation (we believe):

1. Residential care (including aged residential care)\*
2. Meat Processing\*
3. Dairy
4. Forestry
5. Road Transport
6. Tourism and Hospitality

The expectation here is that the first two sectors on the list will have sector agreements in place in 2020. In our view they will be aiming for mid 2020 to match in with the new low and high paid employment assessment (i.e. low will be covered in the sector agreement to keep that out of standard Essential Skills Work visa policy), with the remaining agreements to be completed in time for the scrapping of the 6 employer led work visas in 2021.

### **Contact**

If you require guidance of further information on the changes that are taking place in October, please contact our team for guidance.

More to follow from us on the 2020 and 2021 changes as we slowly work our way through the policy to allow distribution of some thought pieces on those.